



Agenda Item Number: 2006-9-9A

BERNALILLO COUNTY BOARD OF COUNTY COMMISSIONERS

Meeting Date: September 12, 2006

Department: County Manager **Contact:** Thaddeus Lucero, County Manager

TITLE: Amendment to UNMH Lease Agreement

ACTION: Motion to approve amendments to the Lease Agreement for Operation and Maintenance of County Healthcare Facilities.

SUMMARY:

At its August 9, 2005, Administrative Meeting, the Board approved proposed amendments to the Lease Agreement for the Operation and Maintenance of County Healthcare Facilities. The amendments pertained to: Section V. GOVERNANCE, expanding membership for the Clinical Operations Board from nine to eleven members; and Section VII. OBLIGATIONS OF THE UNIVERSITY, adding reporting requirements. The amended Agreement was submitted to the University for approval, which it did not. However, on August 8, 2006, the Board of Regents voted to amend Section V. GOVERNANCE, expanding membership from nine to thirteen members. Staff has revised the Second Amendment accordingly and requests the Board's approval.

Proposed Amendments:

- Expanding the governing board from nine (9) to thirteen (13) members
 1. The Regents will have authority to appoint nine (9) Board members as follows:
 - One (1) Regent (originally none)
 - One (1) UNMH physician (unchanged)
 - Two (2) Pueblo Indians, nominated by the All Indian Pueblo Council (originally one)
 - Five (5) community members (unchanged)
 2. The Commissioners will have the authority to appoint four (4) Board members as follows:
 - One (1) Commissioner (originally none)
 - Three (3) community members (originally two)
- Providing quarterly reports to the County regarding the number of County patients receiving care in various economic categories including, but not limited to, indigents, those patients using the uniform charge scale, and those on a self-pay status.
- Providing statistics on health care performance to the County including those provided to or received from NCQA, HEDIS, and JCAHO, or like organizations.
- Providing for representatives of the Clinical Operations Board, designated by the Chairperson, to make periodic reports to the Regents at least semi-annually regarding matters of concern.

FISCAL IMPACT

Portions of the land and building occupied by UNMH are leased from Bernalillo County until 2055. In addition, UNMH receives and administers \$1 million per year in County Indigent Funds. Mill Levy funding of approximately \$71 million per year is provided for the operation and maintenance of UNMH. The full amount of the funding will be available to UNMH because at the August 9, 2006, Administrative Meeting the Board of County Commissioners enacted the 1/16% Health Care Gross Receipts Tax relieving UNMH of its former obligation to pay \$10 million to the State of New Mexico for Medicaid matching. DM 9/1/06

ATTACHMENTS:

1. Original Lease Agreement for Operation and Lease of County Healthcare Facilities (1999)
2. First Amendment To Lease Agreement for Operation and Lease of County Healthcare Facilities (2004)
3. Proposed Second Amendment to Lease Agreement for Operation and Lease of County Healthcare Facilities (markup version)
4. Resolutions of the Board of Regents of the University of New Mexico
5. Agreement between the BCC and UNM Regents
6. Four (4) Originals of the Proposed Second Amendment to Lease Agreement for Operation and Lease of County Healthcare Facilities

STAFF ANALYSIS SUMMARY

COUNTY MANAGER

At the August 9, 2005, Administrative Meeting, the Board approved proposed amendments as presented in the Second Amendment to the Lease, which included expansion of the Clinical Operations Board (COB) from nine members to eleven.

After a year, although it never approved the Second Amendment to the Lease, on August 8, 2006, the Board of Regents finally approved a Resolution expanding the COB from nine to thirteen members. In a separate, unrelated agreement, the Regents also agreed to provide quarterly reports to the County, to include various statistical data.

The attached Second Amendment to the Lease incorporates the Regent's membership recommendation and is otherwise unchanged from the original proposal approved by the Board in 2005. This Second Amendment provides for improved communication, data collection and accountability. TL 9/5/06

LEGAL

These amendments can be effected with the approval of all parties that were signatories to the 1999 Lease. Amendments approved as to form. JSL 09/01/06

FINANCE

See Fiscal Impact